

INFORMATION REPORT

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1.

The greater part of Mannesmann-Trautzl production consists of seamless pipe, which is produced by only one other factory in Austria, St. Egyder Eisen- u. Stahl A.G. Only the most pressing needs of USIA are fulfilled out of production, and the plant is allowed to retain a small portion to sell on the black market to defray overhead costs. All remaining production has been stored in the company warehouse on orders from USIA. The first week in May 1948, the entire stored amount was ordered loaded on flatcars and transported eastwards.

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2.

A large part of sheet metal production of the Waidhofen plant of Boehler & Co. is delivered to the Skoda works in Czechoslovakia. That part of production available to non-USIA Austrian firms is sold at prices of from 2.70 to 5.40 schillings per kilo, depending on the thickness and treatment of the metal. Since USIA headquarters has allowed its individual companies to handle their own purchasing and sales activities, they have largely made use of middlemen. These men almost invariably demand additional commissions of two schillings per kilo on all sheet metal delivered. Even with these unofficial and illegal markups, the sheet metal is now obtainable for about 50% of what it cost in March 1948.

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The Leichtmetallwerk Liesing is in a badly run-down condition, largely because the management is primarily Communist and has had little experience in business or in plant administration. There is scarcely any cash on hand, very few orders are received, and what work is undertaken is done very inefficiently. Informant stated that in order to get cash to meet payrolls and operating expenses, the plant is forced to sell its capital reserve stocks, most of which date back to 1945 or before. He estimated that the plant could hold out in this manner until August 1948.

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CENTRAL INTELLIGENCE AGENCY

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[REDACTED] In the last two years, the Soviets have made only minimum investments in Stahl- und Temperguss A.G., in order to keep it in production. As a result, the plant is mechanically in a very neglected state. Furthermore, the Soviet director ordered on 1 June 1948 that henceforth any and all expenditures for repairs and/or replacements of machinery must first be submitted in detail to him for approval.

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